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A study concerned with college costs and financial aid available to undergraduate students attending colleges in Massachusetts. The data were derived primarily from information obtained in a questionnaire survey of undergraduate scholarships granted and college costs at colleges and universities in Massachusetts for the year 1958–59. A total of 57 institutions, 44 private and 13 public, participated in the study. These institutions enrolled about two-thirds of the total full-time undergraduate students attending all institutions of higher education in Massachusetts listed in the 1959–60 *Education Directory, Part 3: Higher Education* (Office of Education). For the academic year 1958–59, scholarships accounted for about 6 percent of the total income of all students enrolled in institutions participating in the survey.

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COLLEGE COSTS AND FINANCIAL AID

8095

Facts on College Costs and Scholarships Awarded to Undergraduate Students in Colleges and Universities in Massachusetts

Staff Study Number II Prepared at the
University of Massachusetts
Amherst, Mass.

MAY, 1960

ED000270

This study, the second in a series of reports on college enrollment problems in Massachusetts, is concerned with college costs and financial aid available to undergraduate students attending institutions of higher education in Massachusetts. The author of the current report had previously completed the staff study: "Let's Face the Problem! Facts on Population Growth and College Enrollment Pressures in Massachusetts, January, 1960."

– Stanley F. Salwak,
Assistant to the Provost,
University of Massachusetts, Amherst

HIGHLIGHTS OF THIS STUDY

The highlights derive primarily from information obtained in a questionnaire survey of undergraduate scholarships granted and college costs at colleges and universities in Massachusetts for the year 1958–59. A total of 57 institutions, 44 private and 13 public, participated in the study. These institutions enrolled about two-thirds of the total full-time undergraduate students attending all of the institutions of higher education in Massachusetts listed in the 1959–60 Education Directory, Part 3: Higher Education, U. S. Department of Health, Education and Welfare, Office of Education. The study shows:

1. Tuition and other fees at private institutions increased by $298 on the average during the period 1952–53 to 1958–59.
2. Scholarship grants in private institutions increased by $282 on the average during the period 1952–53 to 1958–59.

For the Academic Year 1958–59:

1. Scholarships accounted for about 6 per cent of the total income of all students enrolled in the institutions participating in the survey.
2. Eleven private institutions gave approximately 84 per cent of the total amount of scholarship money awarded by the 57 public and private institutions participating in the study.
3. About 18 per cent of the 53,035 full-time students enrolled in the institutions received scholarships, with an average grant of $114 per student enrolled.
4. The average value of the scholarship award per student enrolled came to $23 in public institutions and $139 in private colleges and universities.
5. Educational and living costs averaged about $2,200 a year at private institutions and $1,300 at public institutions for non-commuting students.

Published on private funds.

COLLEGE COSTS AND FINANCIAL AID

During recent years a great deal of attention has been given in educational literature to college costs and institutional scholarships. In many instances, such reports have taken the thesis that sufficient financial aid is available so that most qualified students can complete their undergraduate studies in spite of meager financial resources. The purpose of the current study is to test this thesis by analyzing the relationship of scholarship grants to college costs for undergraduate students attending colleges and universities in Massachusetts. At the outset it must be understood that the problem becomes more complex when one considers that by 1967 about 20,000 qualified residents of Massachusetts will, very likely, be unable to enroll in colleges and universities in Massachusetts because of the shortage of college facilities.[1]

Student Costs and Scholarship Awards

Two questions which have important bearing on the determination of public policy with respect to higher education in Massachusetts are:

(1) How much does an undergraduate pay for one year of college education?

(2) How many scholarships are awarded by Massachusetts institutions to undergraduate students and, what is the average value of the grant per recipient and student enrolled?

Answers to these questions shed further light on the acuteness of the problem with respect to the need for additional higher educational support in terms of facilities and student aid in the Commonwealth.

It is **not** the intent here to prove a cause and effect relationship between the combined factors of student costs and scholarship grants, and college attendance. No factor can be isolated from such related factors as geographic availability of higher educational institutions, intellectual curiosity of students, parental pressure against students' desire to go to an institution of higher education, scholastic inability of students to do acceptable college work, and so on. In addition, neither the influence nor the direction of the economic and educational conditions studied can be predicted with exactness with respect to college attendance. It cannot be said with certainty, for example, why certain high school graduates in Massachusetts do not attend institutions of higher education.

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1 Stanley F. Salwak, Let's Face The Problem! Facts on Population Growth and College Enrollment Pressures in Massachusetts, January, 1960, 15pp.

It is the intent here to present data which question the popular belief that one should not be concerned about rising college costs because sufficient scholarship grants are awarded to students to meet these costs. A study by John M. Stalnaker, President of the National Merit Scholarship Corporation, supports the thesis of the present study:

> "The actual number of **full** scholarships is a small fraction of the total number available (the average scholarship award is under $300.00 per year) and the actual assistance the vast majority of students receive is usually a small fraction of the total cost of a college education."[2]

The inability of institutions to keep pace with scholarship grants, in terms of number and award per recipient when related to the expanding college-age population, is well known. Thus, an article on scholarship funds states it is very unlikely that the total number and value of scholarships will be able to keep pace with increased enrollments and college costs. The author adds that even though institutions of higher education have increased their scholarship award programs, control of about one half of all the scholarship aid available in the United States is exercised by fewer than 100 of the colleges and universities who are members of the College Entrance Examination Board.[3]

Ten-Year Trend

A review of representative studies made during the past ten years reveals significant data on institutional scholarship grants and college costs.

According to a report[4] completed for the year 1949–50, a total of 6,049 scholarships was awarded by 53 institutions (44 private and 9 public) in Massachusetts. Scholarship awards came to $333.00 per recipient. For the United States, including the District of Columbia, the average came to $217.00. Grants reported by some institutions were included in the above study as one total for both undergraduate and graduate students.

A more recent study[5] for the year 1955–56 provides the following salient facts for 68 institutions of higher education in Massachusetts with respect to scholarship grants received by undergraduate students:

(1) Approximately 13.5 per cent of the students received scholarships.

(2) The average scholarship grant totaled $438.00.

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2. John M. Stalnaker, "Financial Aids to Students," Prepublication release of The College Blue Book, 1959, p. 677.
3. Ralph C. M. Flynt, "Sources of Scholarship Funds," The Educational Record, April 1956, p. 92.
4. Theresa Birch Wilkins, Scholarships and Fellowships. U. S. Office of Education, Bulletin 16, 1951, p. 2.
5. Theresa Birch Wilkins, Financial Aid for College Students: Undergraduate. U.S. Dept. of Health, Education, and Welfare, Division of Higher Education, Bulletin No. 18, 1957, p. 2.

A substantial amount of money is needed by a student to attend college in the United States today. A United States Office of Education study released in 1957, which included a representative sample of 110 institutions located in 41 states and enrolling over 15,000 students for the year 1952–53 reports that:[6]

(1) Scholarships accounted for slightly less than 5 per cent of the total income of all students.

(2) Students earnings contributed more than 5 times as much as scholarships to the average student's budget.

(3) About 16.4 per cent of the students received scholarships.

(4) As the scholarship stipends increased, they tended to go somewhat more often to students from families in the higher family income groups. This was probably due to the fact that in those institutions with higher costs, fewer students from low-income families attend, but these institutions tend to give larger scholarships.

(5) At tax-supported colleges, educational costs were 1/6 and living costs were 5/6 of the total. The comparable figures at private colleges were 1/3 and 2/3.

(6) Mean total expenditures per student were highest in the New England region.

(7) The current and capital costs of attending undergraduate colleges in 1956–57 was estimated to average $1,500 a school year at public institutions and $2,000 a year at private ones. These average costs about doubled those in 1940.

A study completed in 1953 shows in concise form certain attributes of Massachusetts institutions of higher education. The report included 59 (or 70 per cent) of 84 institutions operating in the Commonwealth during the college year 1952–53. The salient facts were:[7]

(1) Forty-four were private institutions with an average tuition and other fees of $536.00.

(2) Only 5,704 or 11.2 per cent of the 50,936 students enrolled in the 59 institutions participating in the study received scholarship grants; the average to each recipient was $410.00.

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6. Ernest V. Hollis, and Associates, Costs of Attending College. U. S. Dept. of Health, Education, and Welfare, Bulletin, No. 9, 1957, pp. 4–61.
7. Stanley F. Salwak, Some Factors Significant in Establishment of Public Junior Colleges in the United States (1940-1951): With Special Reference to Massachusetts, unpublished Doctoral Dissertation, August, 1953, pp. 347–56.

(3) Only 1,620 or 9.4 per cent of the 16,976 first-time students received scholarship aid, the average grant to each recipient being $445.00.

(4) Only in 5 institutions did the average scholarship grant cover or exceed the tuition cost.

(5) Twenty-one institutions did not give any scholarships to freshmen.

(6) Thirteen institutions did not grant scholarship aid to any of their undergraduate students.

(7) The average scholarship grant per student enrolled in the 59 institutions came to about $46.00.

A more recent study completed for the year 1958–59 shows the following significant information on college costs and scholarships given to undergraduates in 57 public and private colleges and universities in Massachusetts:[8]

(1) Scholarships accounted for about 6 per cent of the total income of all students enrolled in the 57 institutions.

(2) A total of 9,432 or 17.7 per cent of the 53,035 students enrolled in the 57 institutions received scholarship awards, the average for each recipient coming to $643.00.

(3) Forty-four were private institutions, having an average tuition and other fees of $834.00.

(4) The educational and living costs in 1958–59 averaged about $2,200 a year at private colleges and universities and $1,300 at public institutions for non-commuting students.

(5) Eleven of the 57 institutions participating in the study enrolled 21,183 undergraduate students:

(a) These institutions gave about 84 per cent of the total scholarship money awarded by the 57 institutions in the survey.

(b) A total of 4,908 or 52 per cent of all scholarships given by the 57 institutions was granted by these 11 institutions.

(c) There were 5,312 or about 25 per cent Massachusetts residents enrolled in the total of 21,183 students. On this basis, about 1,227 Massachusetts residents probably received scholarships.

8. Stanley F. Salwak, Assistant to the Provost, University of Massachusetts, 1959.

Comparable data are presented in Tables I and II for the private and public institutions which participated in the two studies for the years 1952–53 and 1958–59.

TABLE 1. SCHOLARSHIPS AWARDED IN FORTY-FOUR* PRIVATE INSTITUTIONS, 1952–53 AND 1958–59

	1952–53	1958–59
1. Number of Institutions in Survey	44	44
2. Enrollment	43,065	41,778
a) Massachusetts Residents	not available	14,723 (35%)
b) Out-of-state Residents		27,055
3. Average Tuition and Other Fees	$536	$834
4. Scholarships Awarded		
a) Number	5,399	8,213
b) % of Enrollment	12.5	19.6
c) Average value per Recipient	$426	$708
d) Average value per Student Enrolled	$53	$139

Note: Average increase in tuition and other fees. $298
Average increase in Scholarship Grant per recipient $282

*Thirty-five of the institutions are represented in both studies.

It is significant in the private institutions that, although the number and value of scholarships awarded increased, tuition costs were on the average $110.00 higher than the average scholarship grant in 1952–53. The comparable figure for 1958–59 was $126.00. It is obvious, therefore, the tuition costs are rising slightly faster, on the average, than the average scholarship grant is increasing in Massachusetts.

Since 35 per cent of the undergraduate students enrolled in private institutions in 1958–59 were residents of Massachusetts, and if it is assumed that the same percentage of the scholarships awarded in that year went to residents of Massachusetts, the total of grants to residents comes to 2,874.

TABLE 2. SCHOLARSHIPS AWARDED IN PUBLIC INSTITUTIONS, 1952–53 and 1958–59

	1952–53	1958–59
1. Number of institutions in survey	15	13
2. Enrollment	7,871	11,257
3. Tuition and Other Fees	$130	$157
4. Scholarships Awarded		
a) Number	305	1,219[a]
b) % of Enrollment	3.9	10.8
c) Average value per Recipient	$134	$204
d) Average value per Student Enrolled	$5	$23

a. Includes 1,037 scholarships received by students at the University of Massachusetts in 1958–59. Of this total, 476 were awarded by outside agencies with payment through the Treasurer's Office at the University, 100 were Commonwealth scholarships of $250 and 88 were awarded by the Board of Educational Assistance (established by legislation in 1957) and approved by the University of Massachusetts.

It is estimated, therefore, that a total of 4,093 scholarship awards was given in 1958–59 by public institutions (1,219) and private colleges and universities (2,874) to residents of Massachusetts. This represents 15.7 per cent of the number of residents enrolled in the 57 colleges and universities participating in the survey.

Costs, Loans, and Scholarships

A newsletter from the American Association of Land Grant Colleges and State Universities includes information on the relationship of rising student costs, loans, and scholarship stipends. Although the remarks pertain to conditions at Harvard University, they indicate a trend among other similar private colleges and universities:[9]

> "Two things happen when Harvard raises tuition," the newsletter quotes. "Existing stipends must be raised in most cases, and wealthier families fall into the scholarship range."
>
> "There is an increasing strain on any family with an income below $10,000 which does not receive gift aid. Below $6,000 or $7,000 it is impossible for the boy to attend Harvard (i.e., without aid) even if he borrows to the limit." (Richard C. King, Assistant Director of Admissions at Harvard is quoted.)
>
> "As mentioned before, a rise in tuition scares off prospective applicants in lower income groups. If Harvard raises its tuition again, even if it lays aside funds for present scholarship holders, it will have to expect even fewer poor boys applying for scholarships and fewer really poor boys winning them. In short, it is a vicious circle from which there seems to be no escape."
>
> "I would be reasonably certain," Mr. King wrote, "that at no College Scholarship Service College do as many as half of the scholarship winners come from the neediest half of our nation's population. I would even wager that at no College Scholarship Service College do as many as half of the dollars spent for scholarship go to students from the neediest half of our population. And this despite the financial-aid revolution of determining stipends by need rather than merit."

Loan Funds

The rapid growth of loan funds for college students (private, state and federal) needs additional comment in this report. It is felt that students should be encouraged to use loan funds, if necessary, in order to

9. Circular Letter No. 24, American Association of Land Grant Colleges and State Universities, November 5, 1959, pp. 1–2. (Quoting articles appearing in two issues of The Harvard Crimson, September, 1959.)

finance some of their college costs. It is questionable, however, whether such a source of revenue can provide sufficient funds to cover a significant portion of college costs which are increasing every year.

A promising loan program administered by the Higher Education Assistance Corporation (HELP), a private corporation, was authorized by an act of the Massachusetts Legislature in 1958. The authority has been established to guarantee loans made by commercial banks to residents of Massachusetts to help meet the costs of their higher education. The loans, limited to $500 a year or $1500 for three years, are available only to sophomores, juniors and seniors in colleges. Loans are due six months after graduation or can be renewed for payment with interest over a three-year period of time.

If higher education is a sound investment, however, it benefits both the individual and the state. Long-range graduate and professional plans, as well as plans for marriage could be seriously affected if loan obligations are too great. College-age women, in particular, should not be expected to take large loans when it is obvious that heavy indebtedness incurred before marriage could have an adverse effect on the prospects for achieving that state. That the problem of borrowing to finance one's higher education will probably result in even higher tuition costs and fewer scholarship grants is a distinct possibility. The implications of borrowing thus become an extremely serious consideration.

> "For the students, the boom in borrowing also is seen as having some long-range results: More and more college graduates are going to be starting their business careers in debt. Those who go to college now on borrowing will have to pay later."[10]

One example of the point of view that students should pay higher tuition fees and be responsible for charges because college education is a personal investment is expressed by Mr. D. C. Josephs,[11] Chairman of the Board, New York Life Insurance Company:

> "...Colleges should raise tuition fees to charge the student the full cost of his education. and what the student or his parents cannot pay from past savings and current earnings *they should borrow.*"

It is hoped that colleges will not curtail their scholarship awards in view of the current trend by various federal and state governmental agencies to make loan funds more readily available to students. The

10. "New Ways to Finance a College Education," U. S. News and World Report, August 17, 1959, p. 54.
11. Devereux C. Josephs, "College on Credit," Think, Volume 25, May 1959, p. 7.

prospects of heavy indebtedness by students could have an even more adverse effect on student college attendance. It is also questionable that increasing tuition fees will significantly alleviate the problems of college financing because tuition income is only a small part of the institution's total educational and general operating costs.

Summary

The data presented in this report indicate that thousands of residents of Massachusetts may be denied admission to colleges and universities unless the Commonwealth provides additional opportunities for them. The inability of public and private institutions to meet the increased demand is obvious. With respect to helping qualified secondary school graduates to enroll in college, scholarships and loan funds do not now provide the solution to the problem, and it is very unlikely that they will do so in the future.

It is recognized that financial aid other than scholarship grants awarded by institutions of higher education is made available to undergraduate students. It is conceded, also, that institutions of higher education have little or no information on non-institutional scholarships and loans given to their resident students. This study, therefore, presents only one aspect of the problem of financial aid to undergraduate college students. The facts presented, however, bring us closer to the problem of knowing how much financial assistance is being given to college-age youth attending institutions of higher education in Massachusetts. A continuation and expansion of this research project would be extremely valuable in view of the expanding college-age population, progressively decreasing number of places available to youth in proportion to the population increase, and increasing college costs.

Information of the kind presented here is needed to guide those people who are responsible for planning and administering the diversified programs of higher education in Massachusetts.

* * *

Since, in terms of full-time undergraduate student enrollment, only 14 per cent are educated in state-controlled institutions of higher education in Massachusetts, (1) what are the responsibilities of the Commonwealth to those youths who do not have the opportunity to enroll in these low-cost institutions? (2) what are the responsibilities of the Commonwealth to those youths who do not have sufficient funds to finance their way through publicly and privately controlled colleges and universities?